

# Metropolitan Transportation Commission Programming and Allocations Committee

June 14, 2006

Item Number 4a

## Resolution Nos. 3750, 3751 and 3752

**Subject:** Allocation of Transportation Development Act (TDA), State Transit Assistance (STA) and AB 1107 funding to support transit operations and capital projects.

**Background:** As reported over the last four fiscal years, the economic downturn had a profound impact on transit operations in the Bay Area. Sales tax and other operating support dropped by as much as 20 percent and transit ridership declined. The economy is on the mend – as evidenced by employment gains, stabilization and moderate recovery of sales tax revenues in most counties, and the return of Proposition 42 transportation revenues.

The Committee's actions this month kick off the annual allocation process. Operators requesting allocations this month that exceed the \$1 million delegated authority limit include AC Transit, County Connection, Golden Gate, Napa County Transportation Planning Agency (NCTPA), Sonoma County Transit, Tri Delta Transit, Union City Transit, Vacaville and WestCAT. In addition to the allocations to transit operators, MTC is requesting allocation of \$5 million in STA funds to TransLink®. The funds will cover MTC's share of fixed and variable operating costs in connection with TransLink® in FY 2006-07. The total allocation request detailed in the table below is \$115 million for TDA, \$24 million for STA and \$32 million for AB 1107.

Transit Operator/Claimant	Resolution No. 3750 (TDA)	Resolution No. 3701 (STA)	Resolution No. 3752 (AB 1107)	Total
AC Transit	56,806,194	11,586,880	32,110,000	100,503,074
County Connection	16,352,875	1,540,459		17,893,334
Golden Gate	14,991,005	2,618,777		17,609,782
MTC		5,000,000		5,000,000
NCTPA	6,728,510			6,728,510
Sonoma County Transit	6,027,236			6,027,236
Tri Delta Transit	8,384,958	1,871,698		10,256,656
Union City	1,620,829			1,620,829
Vacaville	2,181,443			2,181,443
WestCAT	2,304,880	1,625,995		3,930,875
<b>TOTAL</b>	<b>115,397,930</b>	<b>24,243,809</b>	<b>32,110,000</b>	<b>171,751,739</b>

- Issues:**
- (1) Once MTC receives final payment for FY 2005-06 TDA and AB 1107 funding in mid-June, staff will prepare an adjustment to the FY 2006-07 Fund Estimate to reflect year-end receipts. Based on preliminary information, this will not result in any substantive rescissions and could instead result in the availability of additional revenues of roughly \$30 million that can be claimed by the operators for FY 2005-06 or carried forward to augment FY 2006-07 funding. In addition, because Proposition 42 transfers to transportation are again being made, the adopted MTC Fund Estimate included State Transit Assistance funds for the region's operators in the amount of roughly \$27 million. Additional proposals under consideration in the budget negotiations could augment Bay Area STA by another \$13 million to \$100 million. This could result in welcome upward adjustments to operator allocations.
  - (2) MTC has shown considerable flexibility in its transit capital programming policies to help relieve the pressure on transit operating budgets. In FY 2006-07, operators are relying on roughly \$66 million in Federal Transit Administration (FTA) formula

capital funds to fund preventive maintenance costs normally charged to operating budgets. The Commission approved a preventive maintenance policy in March 2005 that allowed operators to request preventive maintenance funding twice over a 12-year period, within some limited parameters. Several operators, including VTA and AC Transit, are exercising this option in FY 2006-07, for a total of \$49 million. In addition, 10 percent of FTA Section 5307 funds are set aside for flexible programming to operator priorities, and operators are using another \$17 million of their flexible set-aside funds for preventive maintenance in FY 2006-07.

**Recommendation:** Refer MTC Resolution Nos. 3750, 3751 and 3752 to the Commission for approval.

**Attachments:** MTC Resolution Nos. 3750, 3751 and 3752